

**A RESOLUTION BY
COMMUNITY DEVELOPMENT/ HUMAN RESOURCES COMMITTEE**

**A RESOLUTION AUTHORIZING THE MAYOR, OR HER
DESIGNEE, TO ENTER INTO A MEMORANDUM OF
UNDERSTANDING AND LICENSE AGREEMENT (HEREAFTER
REFERRED TO AS "AGREEMENT") WITH HOMEFREE USA
AND FREDDIE MAC TO IMPLEMENT A WORKFORCE HOME
BENEFIT INITIATIVE TO ASSIST CITY OF ATLANTA
EMPLOYEES SEEKING HOMEOWNERSHIP; AND FOR OTHER
PURPOSES.**

WHEREAS, Freddie Mac is a stockholder-owned corporation established by Congress in 1970 to create a continuous flow of funds to mortgage lenders to support homeownership and rental housing; and

WHEREAS, HomeFree USA ("HomeFree") is a non-profit corporation that works in partnership with buyers, realtors, lenders, businesses and non-profits to expand homeownership opportunities; and

WHEREAS, Freddie Mac and HomeFree are interested in working with the City of Atlanta ("City") in implementing a Workforce Home Benefit Initiative to City employees; and

WHEREAS, the City of Atlanta ("City") and is interested in providing assistance to City employees seeking homeownership; and

WHEREAS, an agreement between Freddie Mac, HomeFree and the City (hereto attached as Exhibit "A") will provide services for City employees that the City is unable to provide, and therefore this arrangement will benefit Freddie Mac, HomeFree, and the City; and

WHEREAS, this program will be of no cost to the City; and

WHEREAS, it is in the best interest of the City to enter an Agreement with Freddie Mac and HomeFree to define the cooperative relationship between the three parties, and to establish the role and obligations of each party in that relationship.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, AS FOLLOWS:

Section 1:

The Mayor or her designee is hereby authorized, on behalf of the City, to enter into a Memorandum of Understanding and Licensing Agreement (hereafter referred to as "Agreement") that is substantially similar to Exhibit A attached hereto ("Agreement"), with Freddie Mac and HomeFree USA regarding the roles and obligations of each of the three parties in developing an outreach plan for City employees, assisting employees seeking homeownership, and conducting homebuyer workshops, and said Agreement shall at a minimum provide the following:

- a) The Agreement shall make clear that the City will be the main sponsor of this initiative and will work with HomeFree USA to implement it. The City will also approve the criteria for employee participation, handle all on-site marketing and outreach for this initiative, and administer their downpayment assistance program with the Atlanta Development Authority.
- b) The Agreement shall provide that HomeFree USA facilitate the "Get The Facts!" workshops, provide comprehensive homebuyer education and counseling, and pre-assess clients utilizing Freddie Mac's Loan Prospector Outreach.
- c) The Agreement shall provide that Freddie Mac provide technical assistance and training in developing the program, provide flexible mortgage products and programs that accommodate low-to-moderate and market rate income borrowers.
- d) The Agreement shall provide that Workforce Home Benefit materials can be used and provided to potential clients.
- e) The Agreement shall have a term of Twenty-Four (24) months beginning August 31, 2008, and will be reviewed on an annual basis.

Section 2:

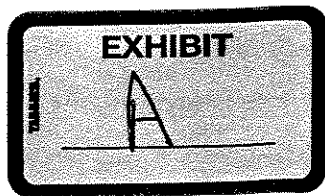
To the extent that Freddie Mac and HomeFree USA is donating time and money to the City, the City hereby accepts the donation.

Section 3:

The City Attorney or her/his designee is hereby authorized to prepare the Agreement for execution by the Mayor or her designee, and the Agreement shall be approved as to form by the City Attorney.

Section 4:

The Agreement shall not become binding upon the City, and the City shall incur neither obligation nor liability thereunder, until the same has been signed by the Mayor or her designee and delivered to Freddie Mac and HomeFree USA.



We make home possible SM

MEMORANDUM OF UNDERSTANDING

"ATLANTA 4 ALL"

City of Atlanta Workforce Home Benefit Initiative

This Memorandum of Understanding ("MOU") is adopted as of the 31st day of August 2008 by and between the City of Atlanta Bureau of Housing (the "City") and Freddie Mac.

The purpose of this MOU is to express the understanding and arrangements among the parties and describes the *Atlanta 4 All* (the "Initiative") and how the various participants in the Initiative will work together.

I. Initiative Participants

The Initiative participants will include:

- City of Atlanta, Bureau of Housing
- Atlanta Development Authority
- HomeFree USA
- Countrywide/Bank of America
- Suntrust
- Freddie Mac

II. Initiative Overview

Responding to the need to assist employees seeking homeownership, the City of Atlanta (the "City") will implement a Workforce Home Benefit Initiative along with HomeFree USA and Freddie Mac. The City will work with HomeFree USA to develop an outreach plan for its employees. HomeFree USA will conduct homebuyer workshops at various locations determined by the City. The workshops will use "Get the Facts!" workshops to dispel common misconceptions of the home buying process and motivate employees to take the first step towards homeownership.

HomeFree USA will work with employees ready to take the first step and assess them using Freddie Mac's Loan Prospector[®] Outreach (LPO). This technology empowers the nonprofit with a prescreening tool that helps the agency more accurately assess the mortgage readiness of the consumers they serve, in this case, the City employees. All of the employees will receive homebuyer education and a mortgage readiness evaluation. Those that receive LPO feedback of "ready to apply" will be referred to the Participating Lenders. Those that receive a "continue counseling" indication, will continue with HomeFree USA and receive additional homebuyer education, one-on-one counseling and financial literacy.

The Participating Lenders will work closely with the City and HomeFree USA to provide mortgage product information, accept loan applications and work with them through the loan process.

III. Initiative Goals

(a) The goals of this Initiative are to:

- Expand homeownership opportunities for employees of the City;
- Increase the rate of retention of employees for the City;
- Enhance the recruitment strategy for the City; and
- Increase access to homeownership opportunities for underserved populations.

(b) The goals will be accomplished by:

- Making available mortgage products with flexible terms;
- HomeFree USA providing homeownership education and counseling, credit counseling and financial literacy;
- HomeFree USA providing mortgage readiness assessments; and
- The City of Atlanta, Home Free USA and the Participating Lenders providing marketing and outreach to all employees of the City of Atlanta.

IV. Responsibilities of the Participants

(a) **City of Atlanta** will:

- Be the main sponsor of the Initiative;
- Work in conjunction with HomeFree USA to implement this Initiative;
- Approve the criteria for employee participation;
- Handle all on-site marketing and outreach for the Initiative;
- Administer their downpayment assistance program with the Atlanta Development Authority; and
- Participate in quarterly update meetings.

(b) **Countrywide/Bank of America and Suntrust** will:

- Accept referrals from the counseling agency;
- Identify and dedicate loan officers that will be trained on the Initiative; guidelines and function as Initiative contacts;
- Originate Home Possible[®] suite of affordable mortgages and other mortgage products as authorized by Freddie Mac to eligible borrowers, subject to standard business practices;
- Participate in marketing and outreach activities; and
- Participate in quarterly update meetings.

(c) **HomeFree USA** will:

- Manage implementation of the WHB Initiative and act as the lead agency;
- Participate in marketing and outreach activities;
- Facilitate "Get the Facts!" workshops;
- Provide comprehensive homebuyer education and counseling;
- Provide financial literacy using Freddie Mac's Credit Smart®;
- Pre-assess clients utilizing Freddie Mac's Loan Prospector® Outreach (LPO);
- Provide quarterly status and financial reports to Freddie Mac; and
- Participate in quarterly update meetings.

(d) **Freddie Mac** will:

- Provide technical assistance and training in developing the program utilizing the Workforce Home Benefit Toolkit;
- Provide the use of Get the Facts! and LPO, and training to Initiative participants;
- Provide access to and training on LPO;
- Provide capacity building and technical assistance support to HomeFree USA for the Initiative;
- Provide flexible mortgage product(s) and program(s) that accommodate low-to-moderate and market rate income borrowers;
- Subject to standard business practices, commit to purchase all eligible mortgages originated in connection with the Initiative;
- Conduct quarterly update meetings with all participants in the Initiative; and
- Assist in the preparation of promotional and media events related to the Initiative.

V. Mortgage Financing Products and Programs

The following mortgage products and programs will be made available to the residents of the participating cities through the Initiative:

- Home Possible® Suite
- Participating Lenders Affordable Product Suite

VI. Education and Promotion

The City and Home Free USA will perform the education and promotion for the Initiative through their existing sourcing channels. The participants will also hold media/press events to promote the Initiative. The promotion efforts will:

- Provide the City of Atlanta employees with information on the program;
- Inform employees of upcoming homebuyer workshops and other counseling services; and
- Provide employees with assistance in the homebuying process.

VII. Financial Support

- (a) Freddie Mac will provide \$25,000 to Home Free USA to provide the homebuyer workshops, education and counseling.
 - (b) Freddie Mac shall provide the above funds no later than 90 days after execution of this MOU.
 - (c) The funds Freddie Mac provides under this Section are the sole extent of Freddie Mac's financial obligations in connection with the Initiative.
 - (d) If an Initiative participant uses funds received under this MOU for purposes that are inconsistent with the Initiative or fails to use the funds, Freddie Mac may demand that the Initiative participant return such funds to the provider and the Initiative participant hereby agrees to do so.
-

VIII. Administration and Reports

- (a) HomeFree USA will monitor the Initiative and provide quarterly volume reports to the participants. The reports to Freddie Mac should include:

Rose Marie Cook
Community Development Specialist
Freddie Mac
2300 Windy Ridge Parkway, SE
North Tower, Suite 200
Atlanta, GA 30339

The reports must include:

- A narrative summary of the activities undertaken to date;
- Detailed information on the status of potential borrowers;
- Copies of promotion materials developed;
- The full names of individual receiving homebuyer education certificates of completion;
- The first and last names of the borrowers, including the addresses with zip codes on each closed loan.

Before providing the names and addresses of individuals to Freddie Mac, HomeFree USA must comply with applicable limitations on use and disclosure in the Gramm-Leach-Bliley Act and the applicable implementing rules of the Federal Trade Commission. HomeFree USA should consult its legal advisor regarding any questions it may have concerning this requirement.

- (b) HomeFree USA must provide quarterly financial reports to Freddie Mac on the funds provided by Freddie Mac. These reports must include:
- The purposes for which the funds were used and the dollar amount of the funds used for each purpose; and
 - The amount of funds remaining and the purposes and time frame for the use of the remaining funds.

IX. Performance Objectives

It is expected that this Initiative will produce approximately 30 loans in the first year and 50 loans in the second year. The Initiative participants plan to conduct at least twelve informational sessions, to be coordinated by HomeFree USA. Additionally, at least 9 homebuyer workshops will be conducted each year.

X. Public Relations

Any public relations, marketing, public announcements and publicity regarding the Initiative or the mortgage products shall be coordinated between the Participants and is subject to the approval of Freddie Mac.

XI. Legal Relationship of the Participants

The relationship among all participating parties in the effort described in this MOU is not that of partners or joint venturers and nothing in this MOU shall be deemed to constitute or create an association, partnership or joint venture among them or any agency or employer-employee relationship. No party is granted, nor shall it represent that it has been granted any right or authority to assume or create any obligation or responsibility, express or implied, on behalf of, or in the name of another party, or bind another party in any manner.

XII. Additional Provisions

Freddie Mac may monitor and conduct evaluation activities supported financially by Freddie Mac. They may include the following:

- Visiting HomeFree USA to observe and discuss activities under the Initiative with personnel; and
- Reviewing and auditing financial and other records, files and materials connected with activities financed by Freddie Mac

XIII. Term and Review; Termination

- (a) Term. The Initiative shall remain in place for 24 months from August 31, 2008. It will be reviewed on an annual basis.

(b) Termination.

- (i) The Initiative participants may, by written notice to the other participants, recommend the early termination of the Initiative; provided, however, except for Freddie Mac, the parties may not exercise this early termination provision until one year from the date of execution of this MOU. The Initiative participants shall meet at a mutually determined date to discuss the Initiative and determine if termination is appropriate and, if so, to plan the appropriate timing of the termination of the Initiative.
- (ii) (A) If the parties determine that termination is appropriate, the City of Atlanta and Freddie Mac shall provide to the other participants to the Initiative, joint written notice of the termination and its effective date. Such termination shall not occur less than 90 days from the date of the written notice referred to in the previous sentence.

(B) If the parties are unable to agree on whether early termination is appropriate or on the date of early termination, the City of Atlanta and Freddie Mac shall each have the right to terminate the Initiative the Initiative unilaterally and the terminating party shall provide to the other participants in the Initiative, written notice of the termination and its effective date. Such termination shall not occur less than 90 days from the date of the written notice referred to in the previous sentence.
- (iii) Freddie Mac may terminate this MOU immediately for a participant's failure to comply with the terms of this MOU, including the use, without prior written approval, of funds for purposes other than those stated in Section VII of this MOU.
- (iv) Freddie Mac may terminate this MOU in the unlikely event that Freddie Mac denies funding for this Initiative as a result of its internal funding-approval process. Such termination shall not occur more than 90 days from the date that all parties have executed this MOU.
- (v) Freddie Mac's termination of the MOU under this section will terminate any and all responsibilities and obligations that Freddie Mac may have, including the distribution of any undistributed funds under the MOU.

XIV. Acknowledgements

As the authorized representative for my organization, I have read this MOU regarding the "**ATLANTA 4 ALL**" Initiative. I agree that the MOU accurately describes the purpose, operational plan and roles of the Initiative participants and that the MOU constitutes the sole agree amongst the parties with respect to the terms contained herein.

City of Atlanta, Department of Planning & Community Development

Signed:

STEVEN R. COVER
Commissioner

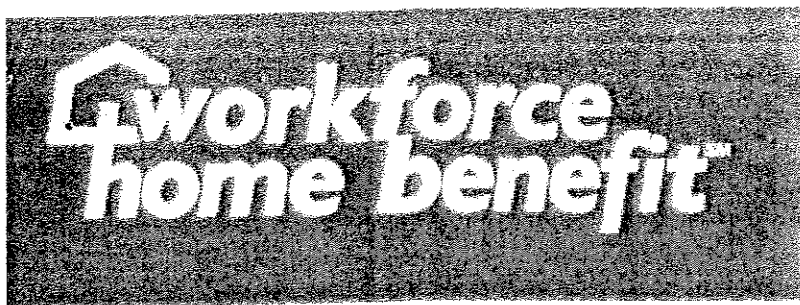
Signed:

TERRI M. LEE
Director, Bureau of Housing

Freddie Mac

Signed:

DWIGHT P. ROBINSON
Senior Vice President,
Corporate Relations & Housing Outreach



Workforce Home BenefitSM License Agreement 2008 AUG 12 PM3:38:09

This Workforce Home Benefit License Agreement is by and between the undersigned party and Freddie Mac and is effective as of the date signed by Licensee below.

BY USING THE ENCLOSED MATERIALS, YOU AGREE TO BE BOUND BY THE TERMS OF THIS WORKFORCE HOME BENEFIT LICENSE AGREEMENT ("Agreement") which covers the Workforce Home Benefit service mark, and includes without limitation, any logos, designs or variations thereof ("Marks"), as well as the Workforce Home Benefit materials which are protected by copyright ("Materials"). Collectively, the Marks and Materials are known as the "WHB Kit." The owner of the WHB Kit is the Federal Home Loan Mortgage Corporation ("Freddie Mac") and is the licensor ("Licensor") of the WHB Kit. Licensor has the exclusive right to use, and license the use of, the WHB Kit and all associated materials. As user of the WHB Kit, you are the licensee ("Licensee") and acknowledge that you seek to use the WHB Kit and THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, agree as follows.

1. **License.** Licensor hereby grants to Licensee the non-exclusive right and license to use the WHB Kit under the terms and conditions set forth in this Agreement.
2. **Term.** This Agreement and the license granted hereunder shall commence on the date hereof and shall continue until terminated in accordance with the provisions of this Agreement.
3. **License to the WHB Kit**
 - a) **Trademarks.** Licensee hereby acknowledges Licensor's right, title and interest in and to the Mark and Licensor's exclusive right to use and license the use of the Mark. Licensee may use the Mark in conjunction with its use of the Materials in the WHB Kit or other materials of Licensee's own creation for the purpose of promoting Workforce Home Benefit. Licensee shall at no time adopt or use, without Licensor's prior written consent, any variation of the Mark, including translations, or any mark likely to be similar to or confusing with the Mark. Any and all goodwill arising from Licensee's use of the Mark shall inure solely to the benefit of Licensor.
 - b) **Copyrights.** Licensee hereby acknowledges Licensor's right, title and interest in and to the Materials and Licensor's exclusive right to license the Materials.
 - i. Licensee may distribute copies of documents contained within the WHB kit, and may reproduce limited quantities of documents contained within the WHB Kit provided that any distribution or reproduction must be performed in conjunction with a benefit consistent with Workforce Home Benefit. Licensee agrees to retain, or add where appropriate, copyright notices on the documents distributed or reproduced from the WHB Kit. Copyright notices should read as follows: "Copyright Freddie Mac, 2006, All rights reserved."
 - ii. Licensee may not reproduce the entire WHB Kit, or reproduce greater quantities of individual documents from the WHB Kit than are necessary for immediate use in carrying out a Workforce Home Benefit offering. Licensee may, however, copy, reproduce or redistribute an unlimited number of the template documents that are provided as form documents in the WHB Kit.

- c) **Right to Approve.** Freddie Mac reserves the right to review any materials Licensee distributes or reproduces in conjunction with carrying out a Workforce Home Benefit offering. Freddie Mac further reserves the right to approve, in its sole discretion, any right to approve, in its sole discretion, any new material or modifications. Licensee makes to any materials Freddie Mac provides to Licensee in conjunction with the WHB Kit.
4. **Assumption of Risk; Warranties.** LICENSEE AGREES TO UNDERTAKE AND ASSUME ALL RESPONSIBILITIES AND RISKS OF PROVIDING A WORKFORCE HOME BENEFIT TO ITS EMPLOYEES. FREDDIE MAC PROVIDES THE WHB KIT 'AS IS' AND MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE ADVICE CONTAINED THEREIN. LICENSEE REPRESENTS AND WARRANTS THAT LICENSEE HAS NOT RELIED, AND WILL NOT RELY, UPON THE LEGAL AND/OR TAX INFORMATION CONTAINED IN THE WHB KIT AND THAT LICENSEE HAS CONSULTED ITS OWN LEGAL AND TAX ADVISORS REGARDING ITS DUTIES, RESPONSIBILITIES AND OBLIGATIONS UNDER A WORKFORCE HOME BENEFIT THAT IT OFFERS OR MAY OFFER.
5. **Licensee's Liability.** To the maximum extent permitted by applicable law, Licensee will be solely responsible for damages arising out of any negligent or willful act or omission by Licensee or its agents in connection with Licensee's provision of the Workforce Home Benefit program to its employees.
6. **Limitation on Freddie Mac's Liability.** IN NO EVENT WILL FREDDIE MAC BE LIABLE TO LICENSEE OR ANY OTHER INDIVIDUAL OR ENTITY FOR DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY TYPE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, ARISING OUT OF OR RELATING IN ANY MANNER TO THIS AGREEMENT, THE TERMINATION OF THIS AGREEMENT OR THE PERFORMANCE OR NONPERFORMANCE OF EITHER PARTY'S RESPECTIVE OBLIGATION UNDER THIS AGREEMENT, WHETHER UNDER A CONTRACT, TORT OR ANY OTHER THEORY OF LIABILITY, EVEN IF FREDDIE MAC IS AWARE OF THE POSSIBILITY OF SUCH DAMAGES.
7. **Infringement.** Licensee shall notify Licensor promptly of any infringement or unauthorized use of the Mark or Materials by others of which Licensee becomes aware. Licensor shall have the sole right, at its expense, to bring any action on account of any such infringement or unauthorized use.
8. **Termination.** Licensor shall have the right to terminate this Agreement upon prior written notice to Licensee, effectively immediately upon Licensee's receipt of said notice for any reason. The exercise of any right of termination under this Section 8 shall not affect any rights which have accrued prior to termination and shall be without prejudice to any other legal or equitable remedies. Upon the terminations of this Agreement all rights of Licensee under the licenses granted hereunder shall terminate and automatically revert to Licensor and Licensee shall immediately discontinue the use of the Mark and the Materials.
9. **Relationship.** The relationship between Licensor and Licensee created by this Agreement shall be that of independent contractors. Nothing contained in the Agreement shall be construed as constituting a joint venture, partnership or agency between licensor and Licensee.
10. **Governing Law and Venue.** This Agreement will be construed and the rights and obligations of the parties determined, exclusively in accordance with the substantive law of the Commonwealth of Virginia being applied. Any claims, actions or proceedings, arising out of or related to this agreement will be brought in the United States District Court for the Eastern District of Virginia, Alexandria Division. The parties hereby submit to the personal jurisdiction of said court and consent to the dismissal of any actions related to the agreement that is brought in any other forum.
11. **Waiver.** No waiver by any party of any breach of any provision hereof shall constitute a waiver of any other breach of that or any other provision hereof.

12. **Severability.** If any provision of this agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this agreement.
13. **Survival.** Each party's rights and obligations under the following sections will survive the expiration or earlier termination of the Term: Section 4. Assumption of Risk; No Warranty, Section 5. Indemnification, Section 6. Limitation of Liability, and Section 10. Governing Law and Venue.
14. **Entire Agreement.** This agreement constitutes the only agreement between Freddie Mac and Licensee relating to the subject matter hereof, and no representation, promises, understandings or agreements, oral or otherwise, not herein contained will be of any force or effect.

By signing below, the undersigned have expressed their mutual agreement to the foregoing.

Company: _____ Federal Home Loan Mortgage Corporation

Signed: _____ Signed: Craig S. Nickerson

Name: _____ Name: Craig S. Nickerson

Title: _____ Title: Vice President

Date: _____

Part II: Legislative White Paper: (This portion of the Legislative Request Form will be shared with City Council members and staff)

A. To be completed by Legislative Counsel:

Committee of Purview: Community Development/ Human Resources Committee

Caption: A RESOLUTION AUTHORIZING THE MAYOR, OR HER DESIGNEE, TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AND LICENSE AGREEMENT (HEREAFTER REFERRED TO AS "AGREEMENT") WITH HOMEFREE USA AND FREDDIE MAC TO IMPLEMENT A WORKFORCE HOME BENEFIT INITIATIVE TO ASSIST CITY OF ATLANTA EMPLOYEES SEEKING HOMEOWNERSHIP; AND FOR OTHER PURPOSES.

Council Meeting Date: October 6, 2008

Requesting Dept.: Department of Planning, Bureau of Housing

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

To enter into a Memorandum of Understanding and License Agreement with HomeFreeUSA and Freddie Mac to assist City of Atlanta employees seeking homeownership.

2. Please provide background information regarding this legislation.

3. If Applicable/Known:

- (a) Contract Type (e.g. Professional Services, Construction Agreement, etc):
- (b) Source Selection:
- (c) Bids/Proposals Due:
- (d) Invitations Issued:

(e) Number of Bids:

(f) Proposals Received:

(g) Bidders/Proponents:

(h) Term of Contract:

4. Fund Account Center:

5. Source of Funds:

6. Fiscal Impact:

7. Method of Cost Recovery:

This Legislative Request Form Was Prepared By:

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Dept.'s Legislative Liaison: Terri M. Lee

Contact Number: (404) 330-6015

Originating Department: Department of Planning- Bureau of Housing

Committee(s) of Purview: Community Development/ Human Resources

Chief of Staff Deadline: September 17, 2008

Anticipated Committee Meeting Date(s): September 30, 2008

Anticipated Full Council Date: October 6, 2008

Legislative Counsel's Signature: William Castings *WAC*

Commissioner Signature: *[Signature]*

Chief Procurement Officer Signature: *[Signature]*

CAPTION

A RESOLUTION AUTHORIZING THE MAYOR, OR HER DESIGNEE, TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AND LICENSE AGREEMENT (HEREAFTER REFERRED TO AS "AGREEMENT") WITH HOMEFREE USA AND FREDDIE MAC TO IMPLEMENT A WORKFORCE HOME BENEFIT INITIATIVE TO ASSIST CITY OF ATLANTA EMPLOYEES SEEKING HOMEOWNERSHIP; AND FOR OTHER PURPOSES.

Mayor's Staff Only

Received by CPO: _____

(date)

Received by LC from CPO: _____

(date)

Received by Mayor's Office: 9.17.08

(date)

Reviewed by: *[Signature]*

(date)

Submitted to Council: _____